

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2021 Second Round

November 17, 2021

Lowden Lane Senior Apartments, located at 2775 Lowden Lane in Redding, requested and is being recommended for a reservation of \$2,499,727 in annual federal tax credits to finance the new construction of 60 units of housing serving seniors with rents affordable to households earning 30-50% of area median income (AMI). The project will be developed by Central California Housing Corporation and will be located in Senate District 1 and Assembly District 1.

This project is receiving rental assistance in the form of Section 8 Project Based Vouchers and includes state funding from the IIG program of HCD.

Project Number CA-21-166

Project Name Lowden Lane Senior Apartments
Site Address: 2775 Lowden Lane
Redding, CA 96002 County: Shasta
Census Tract: 109.000

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$2,499,727	\$0
Recommended:	\$2,499,727	\$0

Applicant Information

Applicant: Central California Housing Corporation
Contact: Laurie Doyle
Address: 3128 Willow Avenue, Suite 101
Clovis, CA 93612
Phone: (559) 292-3385
Email: Ldoyle@ahdcinc.com

General Partner(s) / Principal Owner(s): Central California Housing Corporation
Community Action Agency of Butte County, Inc.

General Partner Type: Joint Venture
Parent Company(ies): Central California Housing Corporation
Community Action Agency of Butte County, Inc.

Developer: Central California Housing Corporation
Investor/Consultant: R4 Capital
Management Agent(s): WinnResidential

Project Information

Construction Type: New Construction
Total # Residential Buildings: 5
Total # of Units: 61
No. & % of Tax Credit Units: 60 100%
Federal Set-Aside Elected: 40%/60%
Federal Subsidy: HUD Section 8 Project Based Vouchers (60 units - 100%)

Information

Set-Aside: N/A
Housing Type: Seniors
Geographic Area: Northern Region
TCAC Project Analyst: Nick White

55-Year Use / Affordability

<u>Aggregate Targeting Number of Units</u>	<u>Percentage of Affordable Units</u>
At or Below 30% AMI: 7	11%
At or Below 40% AMI: 13	21%
At or Below 50% AMI: 40	60%

Unit Mix

53 1-Bedroom Units
<u>8 2-Bedroom Units</u>
61 Total Units

<u>Unit Type & Number</u>	<u>2021 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
6 1 Bedroom	30%	\$399
1 2 Bedrooms	30%	\$479
11 1 Bedroom	40%	\$532
2 2 Bedrooms	40%	\$639
21 1 Bedroom	50%	\$665
4 2 Bedrooms	50%	\$798
15 1 Bedroom	50%	\$798
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$3,589,650
Construction Costs	\$16,266,436
Rehabilitation Costs	\$0
Construction Contingency	\$1,012,804
Relocation	\$0
Architectural/Engineering	\$1,041,169
Const. Interest, Perm. Financing	\$2,854,800
Legal Fees	\$355,000
Reserves	\$301,622
Other Costs	\$1,882,707
Developer Fee	\$2,200,000
Commercial Costs	\$0
Total	\$29,504,188

Residential

Construction Cost Per Square Foot:	\$290
Per Unit Cost:	\$483,675
True Cash Per Unit Cost*:	\$483,068

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
Wells Fargo Bank	\$23,500,000	Berkadia	\$3,550,000
HCD - IIG	\$1,989,650	HCD - IIG	\$1,989,650
City of Redding Fee Deferral	\$300,000	City of Redding Fee Deferral	\$300,000
City of Redding Residual Receipts	\$880,000	City of Redding Residual Receipts	\$880,000
Deferred Costs	\$559,786	Deferred Developer Fee	\$37,022
Tax Credit Equity	\$2,274,752	Tax Credit Equity	\$22,747,516
		TOTAL	\$29,504,188

*Less Donated Land, Fee Waivers, Seller Carryback Loans, and Deferred Developer Fee

Determination of Credit Amount(s)

Requested Eligible Basis (Rehabilitation):	\$21,365,188
130% High Cost Adjustment:	No
Applicable Fraction:	100.00%
Qualified Basis (Rehabilitation):	\$27,774,744
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,499,727
Approved Developer Fee in Project Cost:	\$2,200,000
Approved Developer Fee in Eligible Basis:	\$2,200,000
Investor/Consultant:	R4 Capital LLC
Federal Tax Credit Factor:	\$0.91000

The “as if vacant” land value and the existing improvement value established at application, as well as the eligible basis amount derived from those values, shall not increase during all subsequent reviews including the placed in service review, for the purpose of determining the final award of Tax Credits, unless a waiver has been granted for a purchase price not to exceed the sum of third party debt that will be assumed or paid off. The sum of the third party debt encumbering the property may increase during subsequent reviews to reflect the actual amount.

Tie-Breaker Information

First:	New Construction
Final:	33.682%

Significant Information / Additional Conditions: None.

Resyndication and Resyndication Transfer Event: None.

Local Reviewing Agency

The Local Reviewing Agency, the City of Redding, has completed a site review of this project and strongly supports this project.

Standard Conditions

The applicant must submit all documentation required for a Carryover Allocation and any Readiness to Proceed Requirements elected. Failure to provide the documentation at the time required may result in rescission of the Credit reservation and cancellation of a carryover allocation.

State tax credit recipients are limited to cash distributions from project operations pursuant to California Revenue and Taxation Code Section 12206(d). By accepting the tax credit reservation, the applicant/owner is agreeing to comply with the statutory limitations and requirements.

TCAC makes the preliminary reservation only for the project specified above in the form presented, and involving the parties referred to in the application. No changes in the development team or the project as presented will be permitted without the express approval of TCAC.

The applicant must pay TCAC a performance deposit and allocation fee calculated in accordance with regulation. Additionally, TCAC requires the project owner to pay a monitoring fee before issuance of tax forms.

As project costs are preliminary estimates only, staff recommends that a reservation be made in the amount of federal credit and state credit shown above on condition that the final project costs be supported by itemized lender approved costs and certified costs after the buildings are placed in service.

All unexpended funds in reserve accounts established for the project must remain with the project to be used for the benefit of the property and/or its residents, except for the portion of any accounts funded with deferred developer fees.

All fees charged to the project must be within TCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

If the applicant has requested the use of a CUAC utility allowance, TCAC's Compliance staff will review the CUAC documentation for this project prior to placed in service. Until written approval is received from TCAC, this project is not eligible to use a utility allowance based on the CUAC.

The applicant/owner shall be subject to underwriting criteria set forth in Section 10327 of the regulations through the final feasibility analysis performed by TCAC at placed-in-service.

Credit awards are contingent upon applicant's acceptance of any revised total project cost, qualified basis and tax credit amount determined by TCAC in its final feasibility analysis.

The applicant must ensure the project meets all Additional Threshold Requirements of the proposed project. If points were awarded for service amenities, the applicant will be required to provide such amenity or amenities identified in the application, for a minimum period of fifteen years and at no cost to the tenants. Applicants that received points for sustainable building methods (energy efficiency) must submit the certification required by Section 10325(c)(5) at project completion. Applicants that received increases (exceptions to limits) in the threshold basis limit under Section 10327(c)(5) must submit the certification required by Section 10322(i)(2) at project completion.

Points System	Max. Possible Points	Requested Points	Points Awarded
Owner / Management Characteristics	10	10	10
General Partner Experience	7	7	7
Management Experience	3	3	3
Housing Needs	10	10	10
Site Amenities	15	15	15
Within ¼ mile of transit station or public bus stop	4	4	4
Within ¾ mile of public park or community center open to general public	2	2	2
Within 1 mile of a full-scale grocery/supermarket of at least 25,000 sf	4	4	4
Within ½ mile of medical clinic or hospital	3	3	3
Within 1 mile of a pharmacy	1	1	1
In-unit high speed internet service	2	2	2
Service Amenities	10	10	10
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES			
Adult ed/health & wellness/skill bldg classes, min. 84 hrs/yr instruction	7	7	7
Health & wellness services and programs, minimum 60 hrs per 100 bdms	3	3	3
Lowest Income	52	52	52
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
Readiness to Proceed	10	10	10
Miscellaneous Federal and State Policies	2	2	2
State Credit Substitution	2	2	2
Total Points	109	109	109

Please Note: If more than the maximum Site Amenity points were requested, not all amenities may have been scored and/or verified.

DO NOT RELY ON SCORING IN THIS COMPETITIVE CYCLE FOR FUTURE APPLICATIONS. ALL RE-APPLICATIONS ARE REVIEWED WITHOUT RELIANCE ON PAST SCORING.